



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

2020 NON-COMPETITIVE 4% TCAC APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS FEDERAL CREDIT WITH TAX-EXEMPT BONDS, INCLUDING STATE CREDITS (\$500M /Farmworker) (ATTACHMENT 40 FOR CDLAC-TCAC JOINT APPLICATION)

April 17, 2020 Version

II. APPLICATION - SECTION 1: TCAC APPLICANT STATEMENT AND CERTIFICATION

TCAC APPLICANT: San Jose W San Carlos LP

PROJECT NAME: West San Carlos Residential

PLEASE INCLUDE APPLICATION FEE WITH APPLICATION SUBMISSION

Check Only

The undersigned TCAC Applicant hereby makes application to the California Tax Credit Allocation Committee ("TCAC") for a reservation of Federal and State Low-Income Housing Tax Credits ("Credits") in the amount(s) of:

\$2,122,593 annual Federal Credits
 total State Credits

for the purpose of providing low-income rental housing as herein described. I understand that Credit amount preliminarily reserved for this project, if any, may be adjusted over time based upon changing project costs and financial feasibility analyses which TCAC is required to perform on at least three occasions.

Election to sell ("certificate") state credits: No By selecting "Yes" or "No" in the box immediately before, I hereby make an election to sell ("certificate") or not sell all or any portion of the state credit, as allowed pursuant to Revenue and Taxation Code Sections 12206(o), 17058(q), and 23610.5(r). I further certify that the applicant is a non-profit entity, and that the state credit price will not be less than eighty (80) cents per dollar of credit. I acknowledge that if I elect to sell ("certificate") all or any portion of the state credit, I may, only once, revoke an election to sell at any time before CTCAC issues the Form(s) 3521A for the project.

I agree it is my responsibility to provide TCAC with the original complete application as well as such other information as TCAC requests as necessary to evaluate my application. I represent that if a reservation or allocation of Credit is made as a result of this application, I will also furnish promptly such other supporting information and documents as may be requested. I understand that TCAC may verify information provided and analyze materials submitted as well as conduct its own investigation to evaluate the application. I recognize that I have an affirmative duty to inform TCAC when any information in the application or supplemental materials is no longer true and to supply TCAC with the latest and accurate information.

I certify that the numbers describing project cost, development budget, financing amounts, operating subsidies, unit mix and targeting, and all related application documents are the same as those provided in applications submitted to CDLAC, CalHFA, and HCD, as applicable. I certify that any applications, revisions, or updates provided to TCAC, CDLAC, CalHFA, or HCD will be provided to all other of these state agencies providing financing, tax credits, or subsidies to the project.

I acknowledge that if I receive a reservation of Tax Credits, I will be required to submit requisite documentation at the following stages: updated development timetable under regulation section 10326(j)(4), and the time the project is placed-in-service.

I represent I have read Section 42 of the Internal Revenue Code (IRC) pertaining to Federal Tax Credits, and if applying for State Tax Credits, I represent I have also read California Health and Safety Code Sections 50199.4 et seq. and California Revenue and Taxation Code Sections 12206, 17058, and 23610.5 pertaining to the State Tax Credit program. I understand that the Federal and State Tax Credit programs are complex and involve long-term maintenance of housing for qualified low-income households. I acknowledge that TCAC has recommended that I seek advice from my own tax attorney or tax advisor.

I certify that I have read and understand the provisions of Sections 10322(a) through (h) related to application filing deadlines, forms, incomplete applications, and application changes.

I agree to hold TCAC, its members, officers, agents, and employees harmless from any matters arising out of or related to the Credit program.

I agree that TCAC will determine the Credit amount to comply with requirements of IRC Section 42 but that TCAC in no way warrants the feasibility or viability of the project to anyone for any purpose. I acknowledge that TCAC makes no representation regarding the effect of any tax Credit which may be allocated and makes no representation regarding the ability to claim any Credit which may be allocated.

I acknowledge that all materials and requirements are subject to change by enactment of federal or state legislation or promulgation of regulations.

In carrying out the development and operation of the project, I agree to comply with all applicable federal and state laws regarding unlawful discrimination and will abide by all Credit program requirements, rules, and regulations.

I acknowledge that the Low-Income Housing Tax Credit program is not an entitlement program and that my application will be evaluated based on the Credit statutes, regulations, and the Qualified Allocation Plan adopted by TCAC which identify the priorities and other standards which will be employed to evaluate applications.

I acknowledge that an award of federal or state Tax Credits does not guarantee that the project will qualify for Tax Credits. Both federal law and the state law require that various requirements be met on an ongoing basis. I agree that compliance with these requirements is the responsibility of the applicant.

I acknowledge that the information submitted to TCAC in this application or supplemental thereto may be subject to the Public Records Act or other disclosure. I understand that TCAC may make such information public.

I acknowledge that if I obtain an allocation of Federal or State Tax Credits, I will be required to enter into a regulatory contract that will contain, among other things, all the conditions under which the Credits were provided including the selection criteria delineated in this application.

I declare under penalty of perjury that the information contained in the application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of my knowledge and belief.

I certify and guarantee that each item identified in TCAC's minimum construction standards will be incorporated into the design of the project, unless a waiver has been approved by TCAC. The project will at least maintain the installed energy efficiency and sustainability features' quality when replacing systems and materials. When requesting a threshold basis increase for a prevailing wage requirement, if the project is subject to state prevailing wages, I certify that contractors and subcontractors will comply with California Labor Code Section 1725.5. When requesting a threshold basis increase for development impact fees, the impact fee amounts are accurate as of the application date.

In an application proposing rehabilitation work, I certify that all necessary work identified in the Capital Needs Assessment, including the immediate needs listed in the report, will be performed (unless a waiver is granted) prior the project's rehabilitation completion.

I understand that any misrepresentation may result in cancellation of Tax Credit reservation, notification of the Inter Revenue Service and the Franchise Tax Board, and any other actions that TCAC is authorized to take pursuant to California Health and Safety Code Section 50199.22, issuance of fines pursuant to California Health and Safety Co Section 50199.10, and negative points per Regulation Section 10325(c)(3) or under general authority of state law.

I certify that I believe that the project can be completed within the development budget and the development timetal set forth (which timetable is in conformance with TCAC rules and regulations) and can be operated in the manner proposed within the operating budget set forth.

I agree that TCAC is not responsible for actions taken by the applicant in reliance on a prospective Tax Credit reservation or allocation.

Dated this ____ day of _____, 20____ at
_____, California.

By _____
(Original Signature)

Daniel J. Johnson

(Typed or printed name)

Member

(Title)

Local Jurisdiction:	City of San Jose
City Manager:	David Skyes
Title:	City Manager
Mailing Address:	200 E. Santa Clara St.
City:	San Jose
Zip Code:	95113

Phone Number:

408-535-3500

Ext.

FAX Number:

E-mail:

webmaster.manager@sanjoseca.gov

* For City Manager, please refer to the following the website below:

<http://www.treasurer.ca.gov/ctcac/2018/lra/contact.pdf>

II. APPLICATION - SECTION 2: GENERAL AND SUMMARY INFORMATION

A. Application Type

Application type: Preliminary Reservation

Joint Application? CDLAC-TCAC Joint Application (submitting concurrently)

Prior application was submitted but not selected? Yes

If yes, enter application number: TCAC # CA - 20 - 564

Has credit previously been awarded? No

If re-applying and returning credit, enter the current application number: TCAC # CA - -

Is this project a Re-syndication of a current TCAC project? No

If a Resyndication Project, complete the **Resyndication Projects** section below.

B. Project Information

Project Name: West San Carlos Residential

Site Address: 750 W San Carlos

If address is not established, enter detailed description (i.e. NW corner of 26th and Elm)

City: San Jose County: Santa Clara

Zip Code: 95020 Census Tract: 5019.00

Assessor's Parcel Number(s): 264-015-003

Project is located in a DDA: Yes *Federal Congressional District: 19

Project is located in a Qualified Census Tract: No *State Assembly District: 19

Project is a Scattered Site Project: No *State Senate District: 19

Project is **Rural** as defined by TCAC Regulation Section 10302 No

*Accurate information is essential; the following website is provided for reference:

<https://www.govtrack.us/congress/members/map>

<http://findyourrep.legislature.ca.gov/>

C. Credit Amount Requested

Federal \$2,122,593

State State Farmworker Credit? No

D. Federal Minimum Set-Aside Election (IRC Section 42(g)(1))

40%/60%

E. Housing Type Selection

Special Needs If Special Needs housing, enter number of Special Needs units 40

(Note: Housing Type is used to establish operating expense minimums under regulation section 10327(g)(1))

F. Geographic Area (Reg. Section 10315(i))

Please select the project's geographic area:

South and West Bay Region: San Mateo and Santa Clara Counties

II. APPLICATION - SECTION 3: APPLICANT INFORMATION

A. Identify TCAC Applicant

Applicant is the current owner and will retain ownership: N/A
 Applicant will be or is a general partner in the to be formed or formed final ownership entity: N/A
 Applicant is the project developer and will be part of the final ownership entity for the project: N/A
 Applicant is the project developer and will not be part of the final ownership entity for the project: N/A

B. TCAC Applicant Contact Information

Applicant Name: San Jose W San Carlos LP
 Street Address: 5251 Ericson Way
 City: Arcata State: CA Zip Code: 95521
 Contact Person: Chris Dart
 Phone: 707-822-9000 Ext.: Fax: 707-822-9596
 Email: cdart@danco-group.com

C. Legal Status of Applicant:

Limited Partnership Parent Company: Danco Communities
 If Other, Specify:

D. General Partner(s) Information (post-closing GPs):

D(1) General Partner Name: Community Revitalization and Development Corporation Managing GP
 Street Address: 635 Parkview Avenue OWNERSHIP
 City: Redding State: CA Zip Code: 96001 INTEREST (%):
 Contact Person: David Rutledge 0.001
 Phone: 530-241-6960 Ext.: Fax: 530-241-7831
 Email: crdc@shasta.com
 Nonprofit/For Profit: Nonprofit Parent Company:

D(2) General Partner Name*: Johnson & Johnson Investments, LLC Administrative
 Street Address: 5251 Ericson Way OWNERSHIP
 City: Arcata State: CA Zip Code: 95521 INTEREST (%):
 Contact Person: Chris Dart 0.009
 Phone: 707-822-9000 Ext.: Fax: 707-822-9596
 Email: cdart@danco-group.com
 Nonprofit/For Profit: For Profit Parent Company: Danco Communities

D(3) General Partner Name: (select one)
 Street Address: OWNERSHIP
 City: State: Zip Code: INTEREST (%):
 Contact Person:
 Phone: Ext.: Fax:
 Email:
 Nonprofit/For Profit: (select one) Parent Company:

E. General Partner(s) or Principal Owner(s) Type Joint Venture

"If Joint Venture, 2nd GP must be included if applicant is pursuing a property tax exemption Reg. Section 10327(g)(2) - "TBD" not sufficient

F. Status of Ownership Entity

currently exists If to be formed, enter date:

**(Federal I.D. No. must be obtained prior to submitting carryover allocation package)*

G. Contact Person During Application Process

Company Name:	Danco Communities		
Street Address:	5251 Ericson Way		
City:	Arcata	State: CA	Zip Code: 95521
Contact Person:	Hailey Del Grande		
Phone:	707-822-9000	Ext.:	Fax: 707-822-9596
Email:	hdelgrande@danco-group.com		
Participatory Role:	Developer		

(e.g., General Partner, Consultant, etc.)

II. APPLICATION - SECTION 4: DEVELOPMENT TEAM INFORMATION

A. Indicate and List All Development Team Members

Developer: Danco Communities
 Address: 5251 Ericson Way
 City, State, Zip: Arcata, CA 95521
 Contact Person: Chris Dart
 Phone: 707-822-9000 Ext.:
 Fax: 707-822-9596
 Email: cdart@danco-group.com

Architect: SGPA Architecture & Planning
 Address: 1545 Hotel Circle South, Studio 200
 City, State, Zip: San Diego, CA 92108
 Contact Person: Glen Wood
 Phone: 619-297-0131 Ext.:
 Fax:
 Email: gwood@sgpa.com

Attorney: Spencer Fane LLP
 Address: 370 Seventh Street, Suite 4800
 City, State, Zip: Denver, CO 80202
 Contact Person: H.Micheal Miller
 Phone: 303-592-8330 Ext.:
 Fax: 303-629-7610
 Email:

General Contractor: Danco Builders
 Address: 5251 Ericson Way
 City, State, Zip: Arcata, CA 95521
 Contact Person: Chris Dart
 Phone: 707-822-9000 Ext.:
 Fax: 707-822-9596
 Email: cdart@danco-group.com

Tax Professional: Bowman & Company LLP
 Address: 10100 Trinity Parkway, Suite 310
 City, State, Zip: Stockton, CA 95219
 Contact Person: Daryl Oetrick
 Phone: 209-473-1040 Ext.:
 Fax: 209-629-7610
 Email: dpetrick@cpabowman.com

Energy Consultant: Redwood Energy
 Address: 1887 Q Street
 City, State, Zip: Arcata, CA 95521
 Contact Person: Sean Armstrong
 Phone: 707-826-1450 Ext.:
 Fax:
 Email: seanarmstrong@gmail.com

CPA:
 Address:
 City, State, Zip:
 Contact Person:
 Phone: Ext.:
 Fax:
 Email:

Investor: Raymond James
 Address: 880 Carillon Parkway
 City, State, Zip: St. Petersburg, FL
 Contact Person: Kevin Kilbane
 Phone: 216-509-1342 Ext.:
 Fax:
 Email: kevin.kilbane@raymondjames.com

Consultant:
 Address:
 City, State, Zip:
 Contact Person:
 Phone: Ext.:
 Fax:
 Email:

Market Analyst: Laurin Associates
 Address: 1501 Sports Drive
 City, State, Zip: Sacramento, CA 96834
 Contact Person: Stefanie Williams
 Phone: 916-372-6100 Ext.:
 Fax: 916-419-6108
 Email: swilliams@laurinassociates.com

Appraiser:
 Address:
 City, State, Zip:
 Contact Person:
 Phone: Ext.:
 Fax:
 Email:

CNA Consultant:
 Address:
 City, State, Zip:
 Contact Person:
 Phone: Ext.:
 Fax:
 Email:

Bond Issuer:	City of San Jose	
Address:	200 E. Santa Clara St.	
City, State, Zip:	San Jose, CA 95113	
Contact Person:	Jacky Morales-Ferrand	
Phone:	408-535-3500	Ext.:
Fax:		
Email:	jacky.morales-ferrand@sanjoseca.gov	

Prop. Mgmt. Co.:	Danco Property Management	
Address:	5251 Ericson Way	
City, State, Zip:	Arcata, CA 95521	
Contact Person:	Daniel J. Johnson	
Phone:	707-822-9000	Ext.: <input type="text"/>
Fax:	707-822-9596	<input type="text"/>
Email:	djohnson@danco-group.com	

2nd Prop. Mgmt. Co.	
Address:	
City, State, Zip:	
Contact Person:	
Phone:	Ext.:
Fax:	
Email:	

II. APPLICATION - SECTION 5: PROJECT INFORMATION

A. Type of Credit Requested

New Construction (may include Adaptive Reuse)	<u>Yes</u>	If yes, will demolition of an existing structure be involved?	<u>Yes</u>
Rehabilitation-Only	<u>N/A</u>	If yes, will relocation of existing tenants be involved?	<u>N/A</u>
Acquisition & Rehabilitation	<u>N/A</u>	Is this an Adaptive Reuse project?	<u>N/A</u>
		If yes, please consult TCAC staff to determine the applicable regulatory requirements (new construction or rehabilitation).	

B. Acquisition and Rehabilitation/Rehabilitation-only Projects

If requesting Acquisition Credit, will the acquisition meet the 10-year placed in service rule as required by IRC Sec. 42(d)(2)(B)(ii)? **N/A**

If no, will it meet the waiver conditions of IRC Sec. 42(d)(6)? **N/A**

Acquisition basis is established using: N/A

Will the rehabilitation and/or the income and rent restrictions of Sec. 42 cause relocation of existing tenants? **N/A**

If yes, applicants must submit an explanation of relocation requirements, a detailed relocation plan including a budget with an identified funding source (see Checklist).

Age of Existing Structures		No. of Existing Buildings	
No. of Occupied Buildings		No. of Existing Units	
No. of Stories			
Current Use:			

Resyndication Projects

Current/original TCAC ID: TCAC # CA - [REDACTED] - [REDACTED] TCAC # CA - [REDACTED] - [REDACTED]

First year of credit:

Are Transfer Event provisions applicable? See questionnaire on TCAC website. N/A

Is the project currently under a Capital Needs Agreement with TCAC?	N/A
---	-----

If so, has the Short Term Work been completed? **N/A** See Checklist, Tab 8 for documentation requirements.

Is the project subject to hold harmless rent limits? **N/A** If yes, see page 18 and Checklist, Tab 8.

C. Purchase Information

Name of Seller:	Knowhere Holdings, LLC	Signatory of Seller:	Bryan Robertson
Seller Principal:		Seller Principal:	
Title:		Title:	Managing Officer
Seller Address:			
Date of Purchase Contract or Option:	8/24/2018	Purchased from Affiliate:	No
Expiration Date of Option:	N/A	If yes, broker fee amount to affiliate?	
Purchase Price:	\$5,500,000	Expected escrow closing date:	08/24/18
Phone:	650-799-9951	Historical Property/Site:	No
Holding Costs per Month:		Total Projected Holding Costs:	
Real Estate Tax Rate:		Purchase price over appraisal	
Amount of SOFT perm financing covering the excess purchase price over appraised va			

D. Project, Land, Building and Unit Information

Project Type: Other (Specify below)

Two or More Story With an Elevator:	Yes	if yes, enter number of stories	7
-------------------------------------	-----	---------------------------------	---

Two or More Story Without an Elevator N/A if yes, enter number of stories 0

One or More Levels of Subterranean Park N/A

Other: Parking is 1st floor (not underground) with 6 floors of residential above.

E. **Land** x Feet or 0.41 Acres 17,860 Square Feet **Density:** 195.12
 If irregular, specify measurements in feet, acres, and square feet:

F. **Building Information**

Total Number of Buildings: 1 Residential Buildings: 1
 Community Buildings: 1 Commercial/ Retail Space: N/A

If Commercial/ Retail Space, explain: (include use, size, location, and purpose)

Are Buildings on a Contiguous Site? Yes

If not Contiguous, do buildings meet the requirements of IRC Sec. 42(g)(7)? N/A

Do any buildings have 4 or fewer units?

No

If yes, are any of the units to be occupied by the owner or
 a person related to the owner (IRC Sec. 42(i)(3)(c))?

N/A

G. **Project Unit Number and Square Footage**

Total number of units:	80
Total number of non-Tax Credit Units (i.e. market rate units) (excluding managers' units):	
Total number of units (excluding managers' units):	79
Total number of Low Income Units:	79
Ratio of Low Income Units to total units (excluding managers' units):	100.00%
Total square footage of all residential units (excluding managers' units):	56,441
Total square footage of Low Income Units:	56,441
Ratio of low-income residential to total residential square footage (excluding managers' units):	100.00%
Applicable fraction, smaller of unit or square footage ratio (used on "Basis & Credits"):	100.00%
Total interior amenity space square footage (TCAC Regulation Section 10325(g)(1)):	3,730
Total commercial/ retail space square footage:	
Total common area square footage (including managers' units):	17,549
Total parking structure square footage (excludes car-ports and "tuck under" parking):	11,300
*Total square footage of all project structures (excluding commercial/retail):	89,020

*equals: "total square footage of all residential units" + "total interior amenity space square footage" + "total common area square footage" + "total parking structure square footage")

Total Project Cost per Unit

\$724,742

Total Residential Project Cost per Unit

\$724,742

Total Eligible Basis per Unit

\$629,924

H. Tenant Population Data

Completion of this section is required. **The information requested in this section is for national data collection purposes, and is not intended for threshold and competitive scoring use;** however, the completed table should be consistent with information provided in the application and attachments.

Indicate the number of units anticipated for the following populations:

Homeless/formerly homeless	40
Transitional housing	N/A
Persons with physical, mental, development disabilities	N/A
Persons with HIV/AIDS	N/A
Transition age youth	N/A
Farmworker	N/A
Family Reunification	N/A
Other:	N/A
Units with tenants qualifying as two or more of the above (explain):	
For 4% federal applications only:	
Rural area consistent with TCAC methodology	N/A

II. APPLICATION - SECTION 6: REQUIRED APPROVALS & DEVELOPMENT TIMETABLE

A. Required Approvals Necessary to Begin Construction

	Approval Dates		
	Application Submittal	Estimated Approval	Actual Approval
Negative Declaration under CEQA	N/A		N/A
NEPA	N/A		N/A
Toxic Report	N/A		N/A
Soils Report	N/A		N/A
Coastal Commission Approval	N/A		N/A
Article 34 of State Constitution	6/1/2019		11/1/1994
Site Plan	6/1/2019		1/14/2020
Conditional Use Permit Approved or Required	N/A		N/A
Variance Approved or Required	N/A		N/A
Other Discretionary Reviews and Approvals	N/A		N/A

	Project and Site Information	
Current Land Use Designation	RM - Multiple Residential	
Current Zoning and Maximum Density	RM - Multiple Residential	
Proposed Zoning and Maximum Density	Same as above	
Occupancy restrictions that run with the land due to CUP's or density bonuses?	No	(if yes, explain here)
Building Height Requirements	130' per Diridon Station Area Plan	
Required Parking Ratio		

B. Development Timetable

		Actual or Scheduled		
		Month	/	Year
SITE	Environmental Review Completed	8	/	2019
	Site Acquired	8	/	2019
LOCAL PERMITS	Conditional Use Permit	N/A	/	
	Variance	N/A	/	
	Site Plan Review	N/A	/	
	Grading Permit	9	/	2020
	Building Permit	9	/	2020
CONSTRUCTION FINANCING	Loan Application	5	/	2020
	Enforceable Commitment	5	/	2020
	Closing and Disbursement	8	/	2020
PERMANENT FINANCING	Loan Application	5	/	2020
	Enforceable Commitment	5	/	2020
	Closing and Disbursement	8	/	2020
OTHER LOANS AND GRANTS	Type and Source: <u>County of Santa Clara</u>	N/A	/	
	Application	9	/	2018
	Closing or Award	12	/	2018
	Type and Source: <u>County of Santa Clara</u>	N/A	/	
	Application	9	/	2018
	Closing or Award	12	/	2018
	Type and Source: <u>City of San Jose</u>	N/A	/	
	Application	9	/	2018
	Closing or Award	1	/	2020
	Type and Source: <u>(specify here)</u>	N/A	/	
	Application	N/A	/	
	Closing or Award	N/A	/	
	Type and Source: <u>(specify here)</u>	N/A	/	
	Application	N/A	/	
	Closing or Award	N/A	/	
	Type and Source: <u>(specify here)</u>	N/A	/	
	Application	N/A	/	
	Closing or Award	N/A	/	
	10% of Costs Incurred	8	/	2021
	Construction Start	9	/	2020
	Construction Completion	3	/	2022
	Placed In Service	5	/	2022
	Occupancy of All Low-Income Units	6	/	2022

III. PROJECT FINANCING - SECTION 1: CONSTRUCTION FINANCING

A. Construction Financing

List Below All Projected Sources Required To Complete Construction

Name of Lender/Source	Term (months)	Interest Rate	Fixed/Variable	Amount of Funds
1) Pacific Western Bank	24	4.250%	Fixed	\$30,770,000
2) City of San Jose	660	3.000%	Fixed	\$9,875,000
3) County of Santa Clara Acquisition Fund	660	3.000%	(select)	\$5,912,500
4) County of Santa Clara Measure A Fund	660	3.000%	(select)	\$3,350,000
5) Raymond James - Tax Credit Equity			(select)	\$3,948,023
6) Deferred Costs - Danco Communities			(select)	\$4,123,802
7)			(select)	
8)			(select)	
9)			(select)	
10)			(select)	
11)			(select)	
12)			(select)	
Total Funds For Construction:				\$57,979,325

1) Lender/Source Pacific Western Bank
 Street Address 130 S. State College Blvd.
 City: Brea, CA 92821
 Contact Name Dan Bronfman
 Phone Number 925-386-0760 Ext.:
 Type of Financing Conventional
 Variable Rate Index (if applicable):
 Is the Lender/Source Committed? Yes

2) Lender/Source City of San Jose
 Street Address 200 E. Santa Clara St.
 City: San Jose, CA 95113
 Contact Name Shawnte Spears
 Phone Number 408-535-3500 Ext.:
 Type of Financing Grant/Soft Loan
 Variable Rate Index (if applicable):
 Is the Lender/Source Committed? Yes

3) Lender/Source County of Santa Clara Acquisition Fund
 Street Address 1500 Civic Center Dr
 City: San Jose, CA 95113
 Contact Name Consuelo Hernandez
 Phone Number 408-615-2490 Ext.:
 Type of Financing Grant/Soft Loan
 Is the Lender/Source Committed? Yes

4) Lender/Source County of Santa Clara Measure A Fund
 Street Address 1500 Civic Center Dr
 City: San Jose, CA 95113
 Contact Name Consuelo Hernandez
 Phone Number 408-615-2490 Ext.:
 Type of Financing Grant/Soft Loan
 Is the Lender/Source Committed? Yes

5) Lender/Source Raymond James - Tax Credit Equity
 Street Address 880 Carillon Parkway
 City: St. Petersburg FL
 Contact Name Kevin Kilbane
 Phone Number 216-509-1342 Ext.:
 Type of Financing Equity
 Is the Lender/Source Committed? Yes

6) Lender/Source Deferred Costs - Danco Communities
 Street Address 5251 Ericson Way
 City: Arcata, CA 95521
 Contact Name Chris Dart
 Phone Number 707-822-9000 Ext.:
 Type of Financing Developer Note
 Is the Lender/Source Committed? Yes

7) Lender/Source
Street Address
City:
Contact Name:
Phone Number Ext.:
Type of Financing
Is the Lender/Source Committed? No

9) Lender/Source
Street Address
City:
Contact Name:
Phone Number Ext.:
Type of Financing
Is the Lender/Source Committed? No

11) Lender/Source
Street Address
City:
Contact Name:
Phone Number Ext.:
Type of Financing
Is the Lender/Source Committed? No

8) Lender/Source
Street Address
City:
Contact Name:
Phone Number Ext.:
Type of Financing
Is the Lender/Source Committed? No

10) Lender/Source
Street Address
City:
Contact Name:
Phone Number Ext.:
Type of Financing
Is the Lender/Source Committed? No

12) Lender/Source
Street Address
City:
Contact Name:
Phone Number Ext.:
Type of Financing
Is the Lender/Source Committed? No

III. PROJECT FINANCING - SECTION 2: PERMANENT FINANCING

A. Permanent Financing

List Below All Projected Sources Required To Complete Construction

Name of Lender/Source	Term (months)	Interest Rate	Residual Receipts / Deferred Pymt.	Annual Debt Service	Amount of Funds
1) Pacific Western Bank	420	5.250%		\$1,110,620	\$17,773,000
2) City of San Jose	660	3.000%	Residual		\$9,875,000
3) County of Santa Clara Acquisition Fund	660	3.000%	Residual		\$5,912,500
4) County of Santa Clara Measure A Fund	660	3.000%	Residual		\$3,350,000
5) Developer Note - Danco Communities			Deferred		\$1,328,710
6)					
7)					
8)					
9)					
10)					
11)					
12)					
Total Permanent Financing:					\$38,239,210
Total Tax Credit Equity:					\$19,740,115
Total Sources of Project Funds:					\$57,979,325

1) Lender/Source Pacific Western Bank
 Street Address 130 S. State College Blvd.
 City: Brea, CA 92821
 Contact Name Dan Bronfman
 Phone Number 925-386-0760 Ext.:
 Type of Financing Conventional
 Is the Lender/Source Committed? Yes

2) Lender/Source City of San Jose
 Street Address 200 E. Santa Clara St.
 City: San Jose, CA 95113
 Contact Name Shawnte Spears
 Phone Number 408-535-3500 Ext.:
 Type of Financing Grant/Soft Loan
 Is the Lender/Source Committed? Yes

3) Lender/Source County of Santa Clara Acquisition Fund
 Street Address 1500 Civic Center Dr
 City: San Jose, CA 95113
 Contact Name Consuelo Hernandez
 Phone Number 408-615-2490 Ext.:
 Type of Financing Grant/Soft Loan
 Is the Lender/Source Committed? Yes

4) Lender/Source County of Santa Clara Measure A Fund
 Street Address 1500 Civic Center Dr
 City: San Jose, CA 95113
 Contact Name Consuelo Hernandez
 Phone Number 408-615-2490 Ext.:
 Type of Financing Grant/Soft Loan
 Is the Lender/Source Committed? Yes

5) Lender/Source Developer Note - Danco Communities
 Street Address 5251 Ericson Way
 City: Arcata, CA 95521
 Contact Name Chris Dart
 Phone Number 707-822-9000 Ext.:
 Type of Financing Developer Note
 Is the Lender/Source Committed? Yes

6) Lender/Source
 Street Address
 City:
 Contact Name
 Phone Number Ext.:
 Type of Financing
 Is the Lender/Source Committed? No

7) Lender/Source
 Street Address
 City:
 Contact Name:
 Phone Number Ext.:
 Type of Financing
 Is the Lender/Source Committed? **No**

8) Lender/Source
 Street Address
 City:
 Contact Name:
 Phone Number Ext.:
 Type of Financing
 Is the Lender/Source Committed? **No**

9) Lender/Source
 Street Address
 City:
 Contact Name:
 Phone Number Ext.:
 Type of Financing
 Is the Lender/Source Committed? **No**

10) Lender/Source
 Street Address
 City:
 Contact Name:
 Phone Number Ext.:
 Type of Financing
 Is the Lender/Source Committed? **No**

11) Lender/Source
 Street Address
 City:
 Contact Name:
 Phone Number Ext.:
 Type of Financing
 Is the Lender/Source Committed? **No**

12) Lender/Source
 Street Address
 City:
 Contact Name:
 Phone Number Ext.:
 Type of Financing
 Is the Lender/Source Committed? **No**

B. Tax-Exempt Bond Financing

Will project receive tax-exempt bond financing for more than 50% of the aggregate basis of the building(s) (including land) in the project? (IRC Sec. 42(h)(4)):

Yes

CDLAC Allocation?

Yes

Date application was submitted to CDLAC (Reg. Section 10326(h)):

6/11/2020

Date of CDLAC application approval, actual or anticipated (Reg. Section 10326(j)(1)):

8/19/2020

Estimated date of Bond Issuance (Reg. Section 10326(e)(2)):

11/1/2020

Percentage of aggregate basis financed by the bonds? (Reg. Section 10326(e)(2)):

54.65%

Name of Bond Issuer (Reg. Section 10326(e)(1)):

City of San Jose

Will project have Credit Enhancement?

No

If Yes, identify the entity providing the Credit Enhancement

Contact Person:

Phone:

Ext.:

What type of enhancement is being provided?

(select one)

(specify here)

III. PROJECT FINANCING - SECTION 3: INCOME INFORMATION

A. Low Income Units

(a) Bedroom Type(s)	(b) Number of Units	(c) Proposed Monthly Rent (Less Utilities)	(d) Total Monthly Rents (b x c)	(e) Monthly Utility	(f) Monthly Rent Plus Utilities (c + e)	(g) % of Area Median Income	(h) % of Actual AMI
1 Bedroom	28	\$708	\$19,824	\$32	\$740	25%	25.0%
1 Bedroom	15	\$1,449	\$21,735	\$32	\$1,481	50%	50.0%
1 Bedroom	14	\$1,745	\$24,430	\$32	\$1,777	60%	60.0%
2 Bedrooms	12	\$850	\$10,200	\$38	\$888	25%	25.0%
2 Bedrooms	5	\$1,739	\$8,695	\$38	\$1,777	50%	50.0%
2 Bedrooms	5	\$2,095	\$10,475	\$38	\$2,133	60%	60.0%
Total # Units:	79	Total:	\$95,359		Average:	39.7%	

Is this a resyndication project using hold harmless rent limits in the above table?

N/A

These rents cannot exceed the federal set-aside current tax credit rent limits.

See TCAC Regulation Section 10327(g)(8).

B. Manager Units

State law requires an onsite manager's unit for projects with 16 or more residential units. TCAC Regulation Section 10326(g)(6) requires projects with at least 161 units to provide a second on-site manager's unit, with one additional for each 80 units beyond, up to 4 on-site manager units. Scattered site projects of 16 or more units must have at least one manager unit at each site consisting of 16 or more residential units.

Projects may employ full-time property management staff and provide an equivalent number of desk or security staff for the hours when the property management staff are not working. See TCAC Regulation Section 10325(f)(7)(J) for details on the requirements for this option.

(a) Bedroom Type(s)	(b) Number of Units	(c) Proposed Monthly Rent (Less Utilities)	(d) Total Monthly Rents (b x c)
2 Bedrooms	1		
Total # Units:	1	Total:	

No

Project with desk or security staff in lieu of on-site manager unit(s)
See TCAC Regulation Section 10325(f)(7)(J) for complete requirements.

C. Market Rate Units

(a) Bedroom Type(s)	(b) Number of Units	(c) Proposed Monthly Rent (Less Utilities)	(d) Total Monthly Rents (b x c)
Total # Units:		Total:	

Aggregate Monthly Rents For All Units:	\$95,359
Aggregate Annual Rents For All Units:	\$1,144,308

D. Rental Subsidy Income/Operating Subsidy
Complete spreadsheet "Subsidy Contract Calculation"

Number of Units Receiving Assistance:	40
Length of Contract (years):	20
Expiration Date of Contract:	6/1/2040
Total Projected Annual Rental Subsidy:	\$945,072

E. Miscellaneous Income

Annual Income from Laundry Facilities:	\$14,560
Annual Income from Vending Machines:	
Annual Interest Income:	
Other Annual Income: (specify here)	
Total Miscellaneous Income:	\$14,560
Total Annual Potential Gross Income:	\$2,103,940

F. Monthly Resident Utility Allowance by Unit Size

(utility allowances must be itemized and must agree with the applicable utility allowance schedule)

	SRO / STUDIO	1 BR	2 BR	3 BR	4 BR	() BR
Space Heating:						
Water Heating:						
Cooking:						
Lighting:						
Electricity:						
Water:*						
Other: (specify here)		\$32	\$38			
Total:		\$32	\$38			

PROJECTS PROPOSING UNITS WITH INDIVIDUAL WATER METERS MUST INCLUDE A WATER ALLOWANCE.*Name of PHA or California Energy Commission Providing Utility Allowances:**

CUAC

See Regulation Section 10322(h)(21) for type of projects that are allowed to use CUAC.

G. Annual Residential Operating Expenses**Administrative**

Advertising:	\$1,280
Legal:	\$1,280
Accounting/Audit:	\$5,120
Security:	\$128,000
Other: (admin)	
Total Administrative:	\$135,680

Management

Total Management:	\$102,400
--------------------------	-----------

Utilities

Fuel:	
Gas:	
Electricity:	\$15,360
Water/Sewer:	\$76,800
Total Utilities:	\$92,160

**Payroll /
Payroll Taxes**

On-site Manager:	\$51,200
Maintenance Personnel:	
Other: (payroll)	
Total Payroll / Payroll Taxes:	\$51,200
Total Insurance:	\$20,480

Maintenance

Painting:	\$5,120
Repairs:	\$51,200
Trash Removal:	\$15,360
Exterminating:	\$5,120
Grounds:	\$20,480
Elevator:	\$5,120
Other: (specify here)	
Total Maintenance:	\$102,400

Other Operating Expenses

Other: Other Misc Expenses	\$2,560
Other: (City Bond Issuer Required Annual Fee)	\$5,120
Other: (specify here)	
Other: (specify here)	
Other: (specify here)	
Total Other Expenses:	\$7,680

Total Expenses

Total Annual Residential Operating Expenses:	\$512,000
Total Number of Units in the Project:	80
Total Annual Operating Expenses Per Unit:	\$6,400
Total 3-Month Operating Reserve:	\$436,655
Total Annual Transit Pass / Internet Expense (site amenity election):	
Total Annual Services Amenities Budget (from project expenses):	\$100,000
Total Annual Reserve for Replacement:	\$24,000
Total Annual Real Estate Taxes:	
Other (Specify):	
Other (Specify):	

H. Commercial Income*

Total Annual Commercial/Non-Residential Revenue:	
Total Annual Commercial/Non-Residential Expenses:	
Total Annual Commercial/Non-Residential Debt Service:	
Total Annual Commercial/Non-Residential Net Income:	

*The Sources and Uses Budget must separately detail apportioned amounts for residential and commercial space. Separate cash flow projections shall be provided for residential and commercial space. Income from the residential portion of a project shall not be used to support any negative cash flow of a commercial portion and commercial income should not support the residential portion (Sections 10322(h)(15), (23); 10327(g)(7)).

III. PROJECT FINANCING - SECTION 4: LOAN AND GRANT SUBSIDIES

A. Inclusion/Exclusion From Eligible Basis

Funding Sources If lender is not funding source, list source (HOME, CDBG, etc.) NOT lender.		Included in Eligible Basis Yes/No	Amount
Tax-Exempt Financing		Yes	\$30,770,000
Taxable Bond Financing		N/A	
HOME Investment Partnership Act (HOME)		N/A	
Community Development Block Grant (CDBG)		N/A	
RHS 514		N/A	
RHS 515		N/A	
RHS 516		N/A	
RHS 538		N/A	
HOPE VI		N/A	
McKinney-Vento Homeless Assistance Program		N/A	
MIP		N/A	
MHSA		N/A	
MHP		N/A	
National Housing Trust Fund (HTF)		N/A	
Qualified Opportunity Zone Investment		N/A	
FHA Risk Sharing loan?	No	N/A	
State:	(specify here)	N/A	
Local:	(City of San Jose)	Yes	\$9,875,000
Other:	(County Acquisition Funds)	Yes	\$3,350,000
Other:	(County Measure A Funds)	Yes	\$5,912,500

B. Rental Subsidy Anticipated

Indicate By Percent Of Units Affected, Any Rental Subsidy Expected To Be Available To The Project.

Approval Date:	4/29/2019	Approval Date:	
Source:	Housing Authority	Source:	
If Section 8:	Project-based vouchers (PBVs)	If Section 8:	(select one)
Percentage:	50%	Percentage:	
Units Subsidized:	40	Units Subsidized:	
Amount Per Year:	\$945,072	Amount Per Year:	
Total Subsidy:	\$18,901,440	Total Subsidy:	
Term:	20 Years	Term:	

C. Pre-Existing Subsidies (Acq./Rehab. or Rehab-Only projects)

Indicate The Subsidy Amount For Any Of The Following Currently Utilized By The Project.

Sec 221(d)(3) BMIR:		RHS 514:	
HUD Sec 236:		RHS 515:	
If Section 236, IRP?	N/A	RHS 521 (rent subsidy)	
RHS 538:		State / Local:	
HUD Section 8:		Rent Sup / RAP:	
If Section 8:	(select one)		
HUD SHP:			
Will the subsidy continue?	No	Other:	(specify here)
If yes enter amount:		Other amount:	

III. PROJECT FINANCING - SECTION 5: THRESHOLD BASIS LIMIT

A. Threshold Basis Limit

Unit Size	Unit Basis Limit	No. of Units	(Basis) X (No. of Units)
SRO/STUDIO	\$319,811		
1 Bedroom	\$368,739	57	\$21,018,123
2 Bedrooms	\$444,800	23	\$10,230,400
3 Bedrooms	\$569,344		
4+ Bedrooms	\$634,285		
TOTAL UNITS:		80	
TOTAL UNADJUSTED THRESHOLD BASIS LIMIT:			\$31,248,523
		Yes/No	
(a) Plus (+) 20% basis adjustment - Prevailing Wages Adjustment for projects paid in whole or part out of public funds subject to a legal requirement for the payment of state or federal prevailing wages or financed in part by a labor-affiliated organization requiring the employment of construction workers who are paid at least state or federal prevailing wages. List source(s) or labor-affiliated organization(s): HUD Project Based Vouchers & County Measure A Funds		Yes	\$6,249,705
Plus (+) 5% basis adjustment For projects that certify that (1) they are subject to a project labor agreement within the meaning of Section 2500(b)(1) of the Public Contract Code, or (2) they will use a skilled and trained workforce as defined by Section 25536.7 of the Health and Safety Code to perform all onsite work within an apprenticeable occupation in the building and construction trades.		No	
(b) Plus (+) 7% basis adjustment - Parking (New Construction) For new construction projects required to provide parking beneath residential units (not "tuck under" parking) or through construction of an on-site parking structure of two or more levels.		Yes	\$2,187,397
(c) Plus (+) 2% basis adjustment - Daycare For projects where a day care center is part of the development.		No	
(d) Plus (+) 2% basis adjustment - 100% Special Needs For projects where 100 percent of the Low-Income Units are for Special Needs populations.		No	
(e) Plus (+) up to 10% basis adjustment - ITEM (e) Features For projects applying under Section 10325 or Section 10326 of these regulations that include one or more of the energy efficiency/resource conservation/indoor air quality items		No	
(f) Plus (+) the lesser of the associated costs or up to a 15% basis adjustment - Seismic upgrading / Environmental For projects requiring seismic upgrading of existing structures, and/or on-site toxic or other environmental mitigation as certified by the project architect or seismic engineer. If Yes, select type: N/A		No	

(g)	Plus (+) Local Development Impact Fees Local development impact fees required to be paid to local government entities. Certification from local entities assessing fees also required. WAIVED IMPACT FEES ARE INELIGIBLE.	<input type="checkbox"/> No	
(h)	Plus (+) 10% basis adjustment - Elevator For projects wherein at least 95% of the project's upper floor units are serviced by an elevator.	<input type="checkbox"/> Yes	\$3,124,852
(i)	Plus (+) 10% basis adjustment - High Opportunity Area For a project that is: (i) in a county that has an unadjusted 9% threshold basis limit for a 2-bedroom unit equal to or less than \$400,000; AND (ii) located in a census tract designated on the TCAC/HCD Opportunity Area Map as Highest or High Resource.	<input type="checkbox"/> No	
(j)	Plus (+) 1% basis adjustment - 50%AMI to 36%AMI Units For each 1% of project's Low-Income and Market Rate Units restricted between 36% and 50% of AMI. Rental Units: <input type="text" value="79"/> Total Rental Units @ 50% to 36% of AMI: <input type="text" value="20"/>	<input type="checkbox"/> Yes	\$7,812,131
(k)	Plus (+) 2% basis adjustment - At or below 35%AMI Units. For each 1% of project's Low-Income and Market Rate Units restricted at or below 35% of AMI. Rental Units: <input type="text" value="79"/> Total Rental Units @ 35% of AMI or Below: <input type="text" value="40"/>	<input type="checkbox"/> Yes	\$31,248,523
TOTAL ADJUSTED THRESHOLD BASIS LIMIT:			\$81,871,131

ITEM (e) Features

**REVIEW REGULATION SECTION 10327(c)(5)(B) PRIOR TO COMPLETING THIS SECTION.
THE OPTIONS BELOW ARE PRESENTED WITH ABRIDGED LANGUAGE.**

- N/A** 1 Project shall have onsite renewable generation estimated to produce 50% or more of annual tenant electricity use. If combined available roof area is insufficient, project shall have onsite renewable generation based on at least 90% of the available solar accessible roof area. A project not availing itself of the 90% roof area exception may also receive an increase under paragraph (2) only if the renewable generation used to calculate each basis increase does not overlap. Threshold Basis Limit increase of 5%.
- N/A** 2 Project shall have onsite renewable generation estimated to produce 75% or more of annual common area electricity use. If combined available roof area is insufficient, project shall have onsite renewable generation based on at least 90% of the available solar accessible roof area. A project not availing itself of the 90% roof area exception may also receive an increase under paragraph (1) only if the renewable generation used to calculate each basis increase does not overlap. Threshold Basis Limit increase of 2%.
- N/A** 3 Newly constructed project buildings shall be more energy efficient than 2019 Energy Efficiency Standards (CA Code of Regulations, Title 24, Part 6) by at least 5, EDR points for energy efficiency alone (not counting solar); except that if the local department has determined that building permit applications submitted on or before December 31, 2019 are complete, then newly constructed project buildings shall be 15% or more energy efficiency than the 2016 Energy Efficiency Standards (CA Code of Regulations, Title 24, Part 6). Threshold Basis Limit increase of 4%.
- N/A** 4 Rehabilitated project buildings shall have an 80% decrease in estimated annual energy use (or improvement in energy efficiency) in the HERS II post rehabilitation. Threshold Basis Limit increase 4%.
- N/A** 5 Irrigate only with reclaimed water, greywater, or rainwater (excluding water used for community gardens), or irrigate with reclaimed water, greywater, or rainwater in an amount that annually equals or exceeds 20,000 gallons or 300 gallons per unit, whichever is less. Threshold Basis Limit increase 1%.
- N/A** 6 Community gardens of at least 60 square feet per unit. Permanent site improvements that provide a viable growing space within the project. Threshold Basis Limit increase 1%.
- N/A** 7 Install bamboo, stained concrete, cork, salvaged or FSC-Certified wood, natural linoleum, natural rubber, or ceramic tile in all kitchens, living rooms, and bathrooms (where no VOC adhesives or backing is also used). Threshold Basis Limit increase 1%.
- N/A** 8 Install bamboo, stained concrete, cork, salvaged or FSC-Certified wood, natural linoleum, natural rubber, or ceramic tile in all interior floor space other than units (where no VOC adhesives or backing is also used). Threshold Basis Limit increase 2%.
- N/A** 9 For new construction projects only, meet all requirements of the U.S. Environmental Protection Agency Indoor Air Plus Program. Threshold Basis Limit increase 2%.

IV. SOURCES AND USES BUDGET - SECTION 1: SOURCES AND USES BUDGET					Permanent Sources														
	TOTAL PROJECT COST	RES. COST	COM'L. COST	TAX CREDIT EQUITY	1)Pacific Western Bank	2)City of San Jose	3)County of Santa Clara Acquisition Funds	4)County of Santa Clara Measure A Funds	5)Developer Note - Danco Communities	6)	7)	8)	9)	10)	11)	12)	SUBTOTAL	30% PVC for New Const/Rehab	30% PVC for Acquisition
LAND COST/ACQUISITION																			
Land Cost or Value	\$5,500,000	\$5,500,000					\$5,500,000										\$5,500,000		
Demolition																			
Legal	\$82,500	\$82,500					\$82,500										\$82,500		
Land Lease Rent Prepayment																			
Total Land Cost or Value	\$5,582,500	\$5,582,500					\$5,582,500										\$5,582,500		
Existing Improvements Value																			
Off-Site Improvements																			
Total Acquisition Cost																			
Total Land Cost / Acquisition Cost	\$5,582,500	\$5,582,500					\$5,582,500										\$5,582,500		
Predevelopment Interest/Holding Cost	\$330,000	\$330,000					\$330,000										\$330,000		
Assumed, Accrued Interest on Existing Debt (Rehab/Acq)																			
Excess Purchase Price Over Appraisal																			
REHABILITATION																			
Site Work																			
Structures																			
General Requirements																			
Contractor Overhead																			
Contractor Profit																			
Prevailing Wages																			
General Liability Insurance																			
Other: (Specify)																			
Total Rehabilitation Costs																			
Total Relocation Expenses																			
NEW CONSTRUCTION																			
Site Work																			
Structures	\$31,358,234	\$31,358,234		\$3,373,142	\$14,760,092	\$9,875,000		\$3,350,000									\$31,358,234	\$31,358,234	
General Requirements	\$1,881,494	\$1,881,494			\$1,881,494												\$1,881,494	\$1,881,494	
Contractor Overhead	\$1,329,589	\$1,329,589		\$198,175	\$1,131,414												\$1,329,589	\$1,329,589	
Contractor Profit	\$1,254,329	\$1,254,329		\$1,254,329													\$1,254,329	\$1,254,329	
Prevailing Wages																			
General Liability Insurance	\$458,543	\$458,543		\$458,543													\$458,543	\$458,543	
Other: (Specify)																			
Total New Construction Costs	\$36,282,189	\$36,282,189		\$5,284,189	\$17,773,000	\$9,875,000		\$3,350,000									\$36,282,189	\$36,282,189	
ARCHITECTURAL FEES																			
Design	\$750,000	\$750,000		\$750,000													\$750,000	\$750,000	
Supervision	\$200,000	\$200,000		\$200,000													\$200,000	\$200,000	
Total Architectural Costs	\$950,000	\$950,000		\$950,000													\$950,000	\$950,000	
Total Survey & Engineering	\$400,000	\$400,000		\$400,000													\$400,000	\$400,000	
CONSTRUCTION INTEREST & FEES																			
Construction Loan Interest	\$1,261,390	\$1,261,390		\$1,261,390													\$1,261,390	\$833,376	
Origination Fee	\$307,700	\$307,700		\$307,700													\$307,700	\$307,700	
Credit Enhancement/Application Fee	\$65,000	\$65,000		\$65,000													\$65,000	\$65,000	
Bond Premium																			
Cost of Issuance	\$307,117	\$307,117		\$307,117													\$307,117		
Title & Recording	\$50,000	\$50,000		\$50,000													\$50,000	\$50,000	
Taxes	\$110,000	\$110,000		\$110,000													\$110,000	\$110,000	
Insurance																			
Other: (Inspection Fees)	\$40,000	\$40,000		\$40,000													\$40,000	\$40,000	
Other: (City Loan Interest During Construction)	\$658,333	\$658,333		\$658,333													\$658,333	\$493,750	
Total Construction Interest & Fees	\$2,799,540	\$2,799,540		\$2,799,540													\$2,799,540	\$1,899,826	
PERMANENT FINANCING																			
Loan Origination Fee																			
Credit Enhancement/Application Fee	\$10,000	\$10,000		\$10,000													\$10,000		
Title & Recording	\$8,755	\$8,755		\$8,755													\$8,755		
Taxes																			
Insurance																			
Other: (Specify)																			
Other: (Specify)																			
Total Permanent Financing Costs	\$18,755	\$18,755		\$18,755													\$18,755		
Subtotals Forward	\$46,362,984	\$46,362,984		\$9,452,484	\$17,773,000	\$9,875,000	\$5,912,500	\$3,350,000									\$46,362,984	\$39,532,015	
LEGAL FEES																			
Lender Legal Paid by Applicant	\$55,000	\$55,000		\$55,000													\$55,000	\$55,000	
Lender Legal Paid by Applicant	\$65,000	\$65,000		\$65,000													\$65,000	\$65,000	
Total Attorney Costs	\$120,000	\$120,000		\$120,000													\$120,000	\$120,000	

IV. SOURCES AND USES BUDGET - SECTION 1: SOURCES AND USES BUDGET					Permanent Sources														
	TOTAL PROJECT COST	RES. COST	COM'L. COST	TAX CREDIT EQUITY	1)Pacific Western Bank	2)City of San Jose	3)County of Santa Clara Acquisition Funds	4)County of Santa Clara Measure A Funds	5)Developer Note - Danco Communities	6)	7)	8)	9)	10)	11)	12)	SUBTOTAL	30% PVC for New Const/Rehab	30% PVC for Acquisition
RESERVES																			
Rent Reserves	\$28,000	\$28,000		\$28,000													\$28,000		
Capitalized Rent Reserves																			
Required Capitalized Replacement Reserve																			
3-Month Operating Reserve	\$436,655	\$436,655		\$436,655													\$436,655		
Other: (Specify)																			
Total Reserve Costs	\$464,655	\$464,655		\$464,655													\$464,655		
CONTINGENCY COSTS																			
Construction Hard Cost Contingency	\$1,814,110	\$1,814,110		\$1,814,110													\$1,814,110	\$1,814,110	
Soft Cost Contingency	\$337,066	\$337,066		\$337,066													\$337,066	\$337,066	
Total Contingency Costs	\$2,151,176	\$2,151,176		\$2,151,176													\$2,151,176	\$2,151,176	
OTHER PROJECT COSTS																			
TCAC App/Allocation/Monitoring Fees	\$34,800	\$34,800		\$34,800													\$34,800		
Environmental Audit	\$7,000	\$7,000		\$7,000													\$7,000	\$7,000	
Local Development Impact Fees																			
Permit Processing Fees	\$4,505,042	\$4,505,042		\$4,505,042													\$4,505,042	\$4,505,042	
Capital Fees																			
Marketing																			
Furnishings	\$100,000	\$100,000		\$100,000													\$100,000	\$100,000	
Market Study	\$10,000	\$10,000		\$10,000													\$10,000	\$10,000	
Accounting/Reimbursables	\$45,000	\$45,000		\$45,000													\$45,000	\$45,000	
Appraisal Costs	\$10,000	\$10,000		\$10,000													\$10,000	\$10,000	
Other: (City Loan Fees)	\$254,958	\$254,958		\$254,958													\$254,958		
Other: (City's Financial Advisor)	\$85,000	\$85,000		\$85,000													\$85,000	\$85,000	
Other: (Specify)																			
Other: (Specify)																			
Other: (Specify)																			
Other: (Specify)																			
Total Other Costs	\$5,051,800	\$5,051,800		\$5,051,800													\$5,051,800	\$4,762,042	
SUBTOTAL PROJECT COST	\$54,150,615	\$54,150,615		\$17,240,115	\$17,773,000	\$9,875,000	\$5,912,500	\$3,350,000									\$54,150,615	\$46,565,233	
DEVELOPER COSTS																			
Developer Overhead/Profit	\$3,796,710	\$3,796,710		\$2,468,000					\$1,328,710								\$3,796,710	\$3,796,710	
Consultant/Processing Agent	\$32,000	\$32,000		\$32,000													\$32,000	\$32,000	
Project Administration																			
Broker Fees Paid to a Related Party																			
Construction Oversight by Developer																			
Other: (Specify)																			
Total Developer Costs	\$3,828,710	\$3,828,710		\$2,500,000					\$1,328,710								\$3,828,710	\$3,828,710	
TOTAL PROJECT COSTS	\$57,979,325	\$57,979,325		\$19,740,115	\$17,773,000	\$9,875,000	\$5,912,500	\$3,350,000	\$1,328,710								\$57,979,325	\$50,393,943	
Note: Syndication Costs shall NOT be included as a project cost.																		Bridge Loan Expense During Construction:	
Calculate Maximum Developer Fee using the eligible basis subtotals.																		Total Eligible Basis:	
DOUBLE CHECK AGAINST PERMANENT FINANCING TOTALS:																		\$50,393,943	
					19,740,115	17,773,000	9,875,000	5,912,500	3,350,000	1,328,710									

Funding sources and costs should be aligned appropriately. For example, public funding sources for land purchase or construction costs should be shown as paying for these costs. Do not randomly select funding sources for line item costs if they have a dedicated source of payment.

Required: evidence of land value (see Tab 1). Land value must be included in Total Project Cost and Sources and Uses Budget (includes donated or leased land). Except for non-competitive projects with donated land, TCAC will not accept a budget with a nominal land value. Please refer to the TCAC website for additional information and guidance.

Note: The conditional formatting embedded in this Sources and Uses Budget workbook tests only for mathematical errors, i.e. whether sum total of Sources (Column R) matches Total Project Cost (Column B) and whether each source listed in the Sources and Uses Budget workbook (Row 105) matches that of Permanent Financing in the Application workbook (Row 108). The conditional formatting does NOT test for any regulatory threshold or feasibility requirements. Applicants are advised to conduct their own due diligence and not rely upon the conditional formatting in this workbook.

FOR PLACED IN SERVICE APPLICATION SUBMISSIONS:

SYNDICATION (Investor & General Partner)	
Organizational Fee	
Bridge Loan Fees/Exp.	
Legal Fees	
Consultant Fees	
Accountant Fees	
Tax Opinion	
Other	

CERTIFICATION BY OWNER:
As owner(s) of the above-referenced low-income housing project, I certify under penalty of perjury, that the project costs contained herein are, to the best of my knowledge, accurate and actual costs associated with the construction, acquisition and/or rehabilitation of this project and that the sources of funds shown are the only funds received by the Partnership for the development of the project. I authorize the California Tax Credit Allocation Committee to utilize this information to calculate the low-income housing tax credit.

Signature of Owner/General Partner	
Printed Name of Signatory	
Title of Signatory	

CERTIFICATION OF CPA/TAX PROFESSIONAL:
As the tax professional for the above-referenced low-income housing project, I certify under penalty of perjury, that the percentage of aggregate basis financed by tax-exempt bonds is:

Signature of Project CPA/Tax Professional	
Date	

V. BASIS AND CREDITS : 4% FEDERAL AND STATE CREDIT

V. BASIS AND CREDITS : 4% FEDERAL AND STATE CREDIT

A. Determination of Eligible and Qualified Basis

Projects w/ building(s) located in DDA/QCT areas & Non-DDA/Non-QCT areas, bifurcate accordingly.

	30% PVC for New Const/ Rehabilitation DDA/QCT Building(s)	30% PVC for New Const/ Rehabilitation NON-DDA/ NON-QCT Building(s)	30% PVC for Acquisition DDA/QCT Building(s)	30% PVC for Acquisition NON-DDA/ NON-QCT Building(s)
Total Eligible Basis:	\$50,393,943			
Ineligible Amounts				
Subtract All Grant Proceeds Used to Finance Costs in Eligible Basis				
Subtract Non-Qualified Non-Recourse Financing:				
Subtract Non-Qualifying Portion of Higher Quality Units:				
Subtract Photovoltaic Credit (as applicable):				
Subtract Historic Credit (residential portion only):				
Subtract (specify other ineligible amounts):				
Subtract (specify other ineligible amounts):				
Total Ineligible Amounts:				
*Total Eligible Basis Amount Voluntarily Excluded:				
Total Basis Reduction:				
Total Requested Unadjusted Eligible Basis:	\$50,393,943			
Total Adjusted Threshold Basis Limit:	\$81,871,131			
**QCT or DDA Adjustment:	130%	100%	100%	100%
Total Adjusted Eligible Basis:	\$65,512,126			
Applicable Fraction:	100%	100%	100%	100%
Qualified Basis:	\$65,512,126			
Total Qualified Basis:	\$65,512,126			

*Voluntary exclusions of eligible basis should be made from rehabilitation eligible basis.

**130% boost if the building(s) is/are located in a DDA or QCT, or Reg. Section 10317(d) as applicable.

(Boost is auto calculated from your selection in: II. APPLICATION - SECTION 2: GENERAL AND SUMMARY INFORMATION - B)

B. Determination of Federal Credit

	New Const/ Rehab	Acquisition
Qualified Basis:	\$65,512,126	
***Applicable Percentage:	3.24%	3.24%
Subtotal Annual Federal Credit:	\$2,122,593	
Total Combined Annual Federal Credit:	\$2,122,593	

***Applicants are required to use these percentages in calculating credit at the application stage.

Federal Credit

C. Determination of Minimum Federal Credit Necessary For Feasibility

Total Project Cost	\$57,979,325
Permanent Financing	\$38,239,210
Funding Gap	\$19,740,115
Federal Tax Credit Factor	\$0.93000

Federal tax credit factor must be at least \$1.00 for self-syndication projects or at least \$0.85 for all other projects.

Total Credits Necessary for Feasibility	\$21,225,930
Annual Federal Credit Necessary for Feasibility	\$2,122,593
Maximum Annual Federal Credits	\$2,122,593
Equity Raised From Federal Credit	\$19,740,115

Remaining Funding Gap	
-----------------------	--

\$500M State Credit

D. Determination of State Credit

	NC/Rehab	Acquisition
State Credit Basis	\$50,393,943	
New construction or rehabilitation basis only; No acquisition basis except for At-Risk projects eligible for State Credit		
Factor Amount	30%	30%
Maximum Total State Credit	\$15,118,183	\$0

E. Determination of Minimum State Credit Necessary for Feasibility

State Tax Credit Factor	
<u>State tax credit factor must be at least \$0.80 for "certified" state credits; at least \$0.79 for self-syndication projects; or at least \$0.70 for all other projects.</u>	

State Credit Necessary for Feasibility	
Maximum State Credit	
Equity Raised from State Credit	
Remaining Funding Gap	

Ranking - \$500M State Credit Applications

F. Ranking System for \$500M State Credit Applications

State Tax Credit per Tax Credit Unit	
Tax Credit Unit per State Tax Credit	#DIV/0!

15 YEAR PROJECT CASH FLOW PROJECTIONS - Refer to TCAC Regulation Sections 10322(h)(22), 10325(f)(5), 10326(g)(4), 10327(f) and (g).

REVENUE	MULTIPLIER	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Gross Rent	1.025	\$1,144,308	\$1,172,916	\$1,202,239	\$1,232,295	\$1,263,102	\$1,294,679	\$1,327,046	\$1,360,223	\$1,394,228	\$1,429,084	\$1,464,811	\$1,501,431	\$1,538,967	\$1,577,441	\$1,616,877
Less Vacancy	5.00%	-57,215	-58,646	-60,112	-61,615	-63,155	-64,734	-66,352	-68,011	-69,711	-71,454	-73,241	-75,072	-76,948	-78,872	-80,844
Rental Subsidy	1.025	945,072	968,699	992,916	1,017,739	1,043,183	1,069,262	1,095,994	1,123,394	1,151,478	1,180,265	1,209,772	1,240,016	1,271,017	1,302,792	1,335,362
Less Vacancy	10.00%	-94,507	-96,870	-99,292	-101,774	-104,318	-106,926	-109,599	-112,339	-115,148	-118,027	-120,977	-124,002	-127,102	-130,279	-133,536
Miscellaneous Income	1.025	14,560	14,924	15,297	15,680	16,072	16,473	16,885	17,307	17,740	18,183	18,638	19,104	19,582	20,071	20,573
Less Vacancy	5.00%	-728	-746	-765	-784	-804	-824	-844	-865	-887	-909	-932	-955	-979	-1,004	-1,029
Total Revenue		\$1,951,489	\$2,000,277	\$2,050,284	\$2,101,541	\$2,154,079	\$2,207,931	\$2,263,129	\$2,319,708	\$2,377,700	\$2,437,143	\$2,498,071	\$2,560,523	\$2,624,536	\$2,690,150	\$2,757,403
EXPENSES																
Operating Expenses:	1.035															
Administrative		\$135,680	\$140,429	\$145,344	\$150,431	\$155,696	\$161,145	\$166,785	\$172,623	\$178,665	\$184,918	\$191,390	\$198,089	\$205,022	\$212,198	\$219,624
Management		102,400	105,984	109,693	113,533	117,506	121,619	125,876	130,281	134,841	139,561	144,445	149,501	154,733	160,149	165,754
Utilities		92,160	95,386	98,724	102,179	105,756	109,457	113,288	117,253	121,357	125,605	130,001	134,551	139,260	144,134	149,179
Payroll & Payroll Taxes		51,200	52,992	54,847	56,766	58,753	60,810	62,938	65,141	67,421	69,780	72,223	74,750	77,367	80,075	82,877
Insurance		20,480	21,197	21,939	22,707	23,501	24,324	25,175	26,056	26,968	27,912	28,889	29,900	30,947	32,030	33,151
Maintenance		102,400	105,984	109,693	113,533	117,506	121,619	125,876	130,281	134,841	139,561	144,445	149,501	154,733	160,149	165,754
Other Operating Expenses (specify):		7,680	7,949	8,227	8,515	8,813	9,121	9,441	9,771	10,113	10,467	10,833	11,213	11,605	12,011	12,432
Total Operating Expenses		\$512,000	\$529,920	\$548,467	\$567,664	\$587,532	\$608,095	\$629,379	\$651,407	\$674,206	\$697,803	\$722,227	\$747,504	\$773,667	\$800,746	\$828,772
Transit Pass/Tenant Internet Expen	1.035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Amenities	1.035	100,000	103,500	107,123	110,872	114,752	118,769	122,926	127,228	131,681	136,290	141,060	145,997	151,107	156,396	161,869
Replacement Reserve		24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Real Estate Taxes	1.020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (Specify):	1.035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (Specify):	1.035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses		\$636,000	\$657,420	\$679,590	\$702,535	\$726,284	\$750,864	\$776,304	\$802,635	\$829,887	\$858,093	\$887,286	\$917,501	\$948,774	\$981,141	\$1,014,641
Cash Flow Prior to Debt Service		\$1,315,489	\$1,342,857	\$1,370,694	\$1,399,005	\$1,427,795	\$1,457,067	\$1,486,825	\$1,517,073	\$1,547,813	\$1,579,050	\$1,610,785	\$1,643,022	\$1,675,762	\$1,709,009	\$1,742,762
MUST PAY DEBT SERVICE																
Pacific Western Bank		1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620	1,110,620
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620	\$1,110,620
Cash Flow After Debt Service		\$204,869	\$232,237	\$260,074	\$288,385	\$317,175	\$346,447	\$376,205	\$406,453	\$437,193	\$468,430	\$500,165	\$532,402	\$565,142	\$598,389	\$632,142
Percent of Gross Revenue		9.74%	10.77%	11.77%	12.73%	13.66%	14.55%	15.42%	16.25%	17.05%	17.83%	18.57%	19.29%	19.97%	20.63%	21.26%
25% Debt Service Test		18.45%	20.91%	23.42%	25.97%	28.56%	31.19%	33.87%	36.60%	39.36%	42.18%	45.03%	47.94%	50.89%	53.88%	56.92%
Debt Coverage Ratio		1.184	1.209	1.234	1.260	1.286	1.312	1.339	1.366	1.394	1.422	1.450	1.479	1.509	1.539	1.569
OTHER FEES**																
GP Partnership Management Fee																
LP Asset Management Fee																
Incentive Management Fee																
Total Other Fees		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow		\$204,869	\$232,237	\$260,074	\$288,385	\$317,175	\$346,447	\$376,205	\$406,453	\$437,193	\$468,430	\$500,165	\$532,402	\$565,142	\$598,389	\$632,142
Deferred Developer Fee**	\$1,328,710															
Residual or Soft Debt Payments**																

*9% and 4% + state credit applications should include the cost of tenant internet service if requested in the Points System site amenity section.

**Other Fees and all payments made from cash flow after must pay debt should be completed according to the terms of the partnership agreement (or equivalent ownership entity terms). Please re-order line items consistent with any "order of priority" terms. These items are to be completed when submitting an updated application for the Carryover, Readiness, Final Reservation, and Placed-in-Service deadlines.